GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:924
ANSWERED ON:04.12.2015
BPL Category
Khuba Shri Bhagwanth

Will the Minister of PLANNING be pleased to state:

(a) whether the Government is considering to raise the income ceiling for inclusion in BPL category keeping in view of raising inflation;
(b) if so, the details thereof; and
(c) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR DEFENCE
RAO INDERJIT SINGH

(a) to (c): The erstwhile Planning Commission estimated poverty on the basis of large sample survey data of National Sample Survey Office (NSSO) on household consumer expenditure. The survey tabulates the expenditure of households. Since the households have different number of members, the NSSO for purpose of comparison, divides the household expenditure by the number of members to arrive at per capita consumption expenditure per month which is called Monthly Per-Capita Consumption Expenditure (MPCE). The poverty line, which is used to estimate BPL population, has been conventionally expressed in terms of this MPCE. The methodology for estimation of poverty was reviewed from time to time by the erstwhile Planning Commission. An Expert Group was constituted under the chairmanship of Prof. Suresh D. Tendulkar in 2005 to review the methodology for estimation of poverty which submitted its report in 2009. The Tendulkar Committee recommended MPCE of Rs. 447 for rural areas and Rs 579 for urban areas as the poverty line at 2004-05 prices, which was accepted by the erstwhile Planning Commission.

The poverty lines defined in the base year are updated for subsequent survey period for price inflation. The large sample surveys on Household Consumer Expenditure are carried out by the NSSO every 5 years. The latest such survey has been conducted in 2011-12. The updated poverty lines for the year 2011-12 are estimated as MPCE of Rs. 816 for rural areas and Rs 1000 for urban areas at 2011-12 prices. For a family of five, the all India poverty line would amount to about Rs. 4080 per month in rural areas and Rs. 5000 per month in urban areas and these poverty lines would vary from state to state because of price differentials.